

STAT

Page Denied

STAT

HUNGARIAN FOREIGN TRADE DEFICIENCIES

Szabad Nep
Budapest, 29 Dec 1953

The shortcomings of Hungarian foreign trade are at least partly the fault of the foreign trade organizations.

These organizations still have not learned to trade. The work of the Ministry of Foreign Trade and the foreign trade enterprises is too bureaucratic and administrative. They make no systematic study of the market. They frequently accept the first trade offer made, even though this may cause difficulties in meeting the demand for certain items at home. They fail to find a market for goods which can be more easily dispensed with at home, such as handicraft items, which have been almost entirely ignored recently although they constituted a major foreign trade factor in the past. The increased export of these artisan products could strengthen foreign trade without harming the Hungarian consumer.

The foreign trade organizations should employ many more commercial scouts. It is important to establish a constant foreign trade network. By doing this, Hungarotex was able to promote the export of several items to Africa and Asia, as well as to Europe. Nikex, on the other hand, realized the advantages of sending commercial scouts to the East only after a year of prodding. It has been 2 years since Elektroimpex sent a representative to India and Indonesia and since Ferunion sent anyone to the northern [European] countries.

Consequently, the enterprises are not only unacquainted with the demand in these countries but lack the knowledge of local conditions which would enable firms such as the Komplex Gyarlehetisitenyeket Szallito Kulkereskedelmi Vallalat (Komplex Factory Installation Supplying Foreign Trade Enterprises) to make suitable plans and designs for export goods. Many orders have been canceled because of this deficiency.

Today the possibility of trading with the capitalist countries has increased. The eastern countries, in particular, could supply Hungary with a variety of raw materials. Although China now receives rubber from Ceylon under a trade agreement and there is nothing to prevent Hungary from doing likewise, it took Chemolimpex many months to realize that rubber could be obtained from the East.

The foreign trade enterprises frequently place their orders with domestic factories too late. They give the factories scant instructions and too few samples. Several times, the Komplex Gyarlehetisitenyeket Szallito Kulkereskedelmi Vallalat has even submitted to [Hungarian] factories untranslated requests for bids. Closer study revealed that these requests omitted even the most indispensable data on which a bid could have been based.

The light industries have repeatedly requested the import of machine blades to be used in leather and shoe manufacture. The foreign trade enterprises have ignored the request, although the need was great. In a misguided attempt to economize, the enterprises have sometimes been guilty of purchasing goods of such inferior quality that domestic industry is unable to utilize them. Instead of this false economy, they should concentrate on importing low cost items which the home industries can use in manufacturing higher priced goods for export. For example, if small quantities of a certain wood were imported consistently, the excellent Hungarian musical instrument industry could be revived and could produce for export.

- E N D -

- 1 -

STAT